

(2) PENALTY FOR FAILURE TO FILE.—

(A) RETURN.—Section 6724(d)(1) is amended by striking “and” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, and”, and by adding at the end the following new subparagraph:

“(D) any statement required to be filed with the Secretary under section 6035.”.

(B) STATEMENT.—Section 6724(d)(2) is amended by striking “or” at the end of subparagraph (GG), by striking the period at the end of subparagraph (HH) and inserting “, or”, and by adding at the end the following new subparagraph:

“(II) section 6035 (other than a statement described in paragraph (1)(D)).”.

(3) CLERICAL AMENDMENT.—The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6034A the following new item:

“Sec. 6035. Basis information to persons acquiring property from decedent or by gift.”.

(C) PENALTY FOR INCONSISTENT REPORTING.—

(1) IN GENERAL.—Subsection (b) of section 6662 is amended by inserting after paragraph (7) the following new paragraph:

“(8) Any inconsistent estate or gift basis.”.

(2) INCONSISTENT BASIS REPORTING.—Section 6662 is amended by adding at the end the following new subsection:

“(k) INCONSISTENT ESTATE OR GIFT BASIS REPORTING.—For purposes of this section, the term ‘inconsistent estate or gift basis’ means—

“(1) in the case of property acquired from a decedent, a basis determination with respect to such property which is not consistent with the requirements of section 1014(f), and

“(2) in the case of property acquired by gift, a basis determination with respect to such property which is not consistent with the requirements of section 1015(f).”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers for which returns are filed after the date of the enactment of this Act.

TITLE IV—PERMANENT SMALL BUSINESS TAX RELIEF

SEC. 401. REPEAL OF SUNSET ON INCREASED LIMITATIONS ON SMALL BUSINESS EXPENSING.

(a) IN GENERAL.—Subsection (b) of section 179, as amended by the Small Business Jobs Act of 2010, is amended—

(1) by striking “\$25,000” in paragraph (1)(C) and inserting “\$125,000.”, and

(2) by striking “\$200,000” in paragraph (2)(C) and inserting “\$500,000.”.

(b) INFLATION ADJUSTMENT.—Section 179(b) is amended by adding at the end the following new paragraph:

“(6) INFLATION ADJUSTMENT.—

“(A) IN GENERAL.—In the case of any taxable year beginning after 2011, the \$125,000 amount in paragraph (1)(C) and the \$500,000 amount in paragraph (2)(C) shall each be increased by an amount equal to—

“(i) such dollar amount, multiplied by

“(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 2006’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(B) ROUNDING.—

“(i) DOLLAR LIMITATION.—If the amount in paragraph (1) as increased under subparagraph (A) is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.

“(ii) PHASEOUT AMOUNT.—If the amount in paragraph (2) as increased under subparagraph (A) is not a multiple of \$10,000, such

amount shall be rounded to the nearest multiple of \$10,000.”.

(c) PERMANENT EXPENSING OF COMPUTER SOFTWARE.—Section 179(d)(1)(A)(ii), as amended by the Small Business Jobs Act of 2010, is amended by striking “and before 2012”.

(d) REVOCATION OF ELECTION MADE PERMANENT.—Section 179(c)(2), as amended by the Small Business Jobs Act of 2010, is amended to read as follows:

“(2) REVOCATION OF ELECTION.—Any election made under this section, and any specification contained in any such election, may be revoked by the taxpayer with respect to any property, and such revocation, once made, shall be irrevocable.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2011.

TITLE V—ALTERNATIVE MINIMUM TAX RELIEF

SEC. 501. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) is amended—

(1) by striking “\$70,950” and all that follows through “2009” in subparagraph (A) and inserting “\$72,450 in the case of taxable years beginning in 2010 and \$74,450 in the case of taxable years beginning in 2011”, and

(2) by striking “\$46,700” and all that follows through “2009” in subparagraph (B) and inserting “\$47,450 in the case of taxable years beginning in 2010 and \$48,450 in the case of taxable years beginning in 2011”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 502. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking “or 2009” and inserting “2009, 2010, or 2011”, and

(2) by striking “2009” in the heading thereof and inserting “2011”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

TITLE VI—TEMPORARY EXTENSION OF CERTAIN PROVISIONS EXPIRING IN 2009

Subtitle A—Infrastructure Incentives

SEC. 601. EXTENSION OF BUILD AMERICA BONDS.

(a) IN GENERAL.—Subparagraph (B) of section 54AA(d)(1) is amended by striking “January 1, 2011” and inserting “January 1, 2012”.

(b) EXTENSION OF PAYMENTS TO ISSUERS.—

(1) IN GENERAL.—Section 6431 is amended—

(A) by striking “January 1, 2011” in subsection (a) and inserting “January 1, 2012”; and

(B) by striking “January 1, 2011” in subsection (f)(1)(B) and inserting “a particular date”.

(2) CONFORMING AMENDMENTS.—Subsection (g) of section 54AA is amended—

(A) by striking “January 1, 2011” and inserting “January 1, 2012”; and

(B) by striking “QUALIFIED BONDS ISSUED BEFORE 2011” in the heading and inserting “CERTAIN QUALIFIED BONDS”.

(c) REDUCTION IN PERCENTAGE OF PAYMENTS TO ISSUERS.—Subsection (b) of section 6431 is amended—

(1) by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—The Secretary”;

(2) by striking “35 percent” and inserting “the applicable percentage”; and

(3) by adding at the end the following new paragraph:

“(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term ‘applicable

percentage’ means the percentage determined in accordance with the following table:

“In the case of a qualified bond issued during calendar year:	The applicable percentage is:
2009 or 2010	35 percent
2011	32 percent.”.

(d) CURRENT REFUNDINGS PERMITTED.—Subsection (g) of section 54AA is amended by adding at the end the following new paragraph:

“(3) TREATMENT OF CURRENT REFUNDING BONDS.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘qualified bond’ includes any bond (or series of bonds) issued to refund a qualified bond if—

“(i) the average maturity date of the issue of which the refunding bond is a part is not later than the average maturity date of the bonds to be refunded by such issue,

“(ii) the amount of the refunding bond does not exceed the outstanding amount of the refunded bond, and

“(iii) the refunded bond is redeemed not later than 90 days after the date of the issuance of the refunding bond.

“(B) APPLICABLE PERCENTAGE.—In the case of a refunding bond referred to in subparagraph (A), the applicable percentage with respect to such bond under section 6431(b) shall be the lowest percentage specified in paragraph (2) of such section.

“(C) DETERMINATION OF AVERAGE MATURITY.—For purposes of subparagraph (A)(i), average maturity shall be determined in accordance with section 147(b)(2)(A).”.

SEC. 602. EXEMPT-FACILITY BONDS FOR SEWAGE AND WATER SUPPLY FACILITIES.

(a) BONDS FOR WATER AND SEWAGE FACILITIES EXEMPT FROM VOLUME CAP ON PRIVATE ACTIVITY BONDS.—

(1) IN GENERAL.—Paragraph (3) of section 146(g) is amended by inserting “(4), (5),” after “(2).”.

(2) CONFORMING AMENDMENT.—Paragraphs (2) and (3)(B) of section 146(k) are both amended by striking “(4), (5), (6),” and inserting “(6)”.

(b) TAX-EXEMPT ISSUANCE BY INDIAN TRIBAL GOVERNMENTS.—

(1) IN GENERAL.—Subsection (c) of section 7871 is amended by adding at the end the following new paragraph:

“(4) EXCEPTION FOR BONDS FOR WATER AND SEWAGE FACILITIES.—Paragraph (2) shall not apply to an exempt facility bond 95 percent or more of the net proceeds (as defined in section 150(a)(3)) of which are to be used to provide facilities described in paragraph (4) or (5) of section 142(a).”.

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 7871(c) is amended by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 603. EXTENSION OF EXEMPTION FROM ALTERNATIVE MINIMUM TAX TREATMENT FOR CERTAIN TAX-EXEMPT BONDS.

(a) IN GENERAL.—Clause (vi) of section 57(a)(5)(C) is amended—

(1) by striking “January 1, 2011” in subsection (I) and inserting “January 1, 2012”; and

(2) by striking “AND 2010” in the heading and inserting “, 2010, AND 2011”.

(b) ADJUSTED CURRENT EARNINGS.—Clause (iv) of section 56(g)(4)(B) is amended—

(1) by striking “January 1, 2011” in subsection (I) and inserting “January 1, 2012”; and